



To: <taxreform@fstb.gov.hk>
cc:
Subject: I am against GST

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Urgent
 Return Receipt

I am against the implementation of GST

Reasons:

1) For a 5% increased tax revenue, the whole society has to do a lot of additional work in terms of accounting, rewriting of vending/accounting software, training of front-line sales, education of the general public, reimbursing the underprivileged etc. The involved costs make the net benefit of GST almost 0 or even negative.

2) In time of an economic downturn and a lack of income tax and profit tax, GST allows the government to sit back and remain complacent. As the general public have no choice but to continue spending on necessities and pay GST even if the economy is bad, the government won't need to worry as much about tax revenue. The tax revenue with GST fluctuates less than profit/income tax. Under the current system, the government must do its duty to stimulate the economy in order to increase revenue, which is beneficial to both the government and the economy as a whole. It is very difficult to cultivate a proactiveness against in the government once it is lost with GST. The ability to respond to future disasters like SARS or 97's asset crash will be lost forever.

3) GST increases all the admin work within the government and increases the payroll. The government should be small and efficient with a small staff body which can react to swings in economy much more quickly.

regards,

POON MING HIM